

D/OOP

January 17, 1979

GSA BULLETIN FPMR B- 86
ARCHIVES AND RECORDS

TO : Heads of Federal agencies

SUBJECT: Use of word processing equipment

1. Purpose. This bulletin clarifies Federal agencies' responsibilities to ensure that word processing equipment (WPE) is being acquired and used in a cost effective manner, as required by FPMR 101-11.903. Word processing equipment (WPE) is being acquired and used where it is not cost effective. The current methodology generally used in word processing feasibility studies may lead to erroneous conclusions about the potential for cost-effective use of WPE. This bulletin informs agencies about a more accurate method, considering revision typing as either original typing or repetitive typing, but not as a separate category of its own.

2. Expiration date. This bulletin contains information of a continuing nature and will remain in effect until superseded.

3. Definitions. As used in this bulletin:

a. An electric typewriter is a keyboard device that cannot store or record keystrokes for automatic playback.

b. Word processing equipment (WPE) is a keyboard device capable of controlled storage, retrieval, and automated typing.

c. Original typing is the first typing of a line or the retyping of a line that has been changed.

d. Repetitive typing is the retyping of a line that remains unchanged.

e. Revision typing is the retyping of a document containing a mixture of changed and unchanged lines; i.e., a combination of original and repetitive typing.

4. Background.

a. Word processing equipment (WPE) costs 6 to 30 times more than electric typewriters. Federal agencies are spending an estimated \$80 to \$100 million annually to lease and purchase WPE. Expenditures are increasing at an estimated rate of nearly 25 percent a year.

b. Before WPE is acquired, a WPE feasibility study is required by FPMR 101-11.903 to determine whether WPE would be cost effective. However,

current methodology for WPE feasibility studies has led to some inaccurate conclusions. In many instances, despite a feasibility study conclusion that WPE would be cost effective, it has not been so in operation.

c. The current methodology generally used in word processing feasibility studies categorizes typing as original, revision, or repetitive. Significant productivity increases can result from the use of WPE for repetitive typing, but the use of WPE for original typing generally does not result in productivity increases. The ratio of repetitive to original typing is needed to determine if WPE can be cost effectively used. To determine the ratio of repetitive to original typing, revision typing must be divided into original typing and repetitive typing and the volume of each separately determined.

5. Determining cost effectiveness in acquiring WPE.

a. Identifying total annual costs. To determine cost effectiveness an agency should determine its annual equipment and personnel costs required to type on electric typewriters the total number of original and repetitive lines produced annually by the work stations for which WPE is being considered. Certain repetitive typing, such as identical letters or multiple addressees and standard responses to inquiries, should not be counted when copies or form letters would be appropriate and more cost effective. Total annual costs should be determined as follows:

(1) Compute personnel costs required to type on electric typewriters the number of original and repetitive lines of representative material normally produced in 2 weeks (a minimum test period reflecting an average workload) and multiply by 26.

(2) Determine annual equipment costs by amortizing the original cost of the electric typewriter(s) over a 5-year period.

(3) Add annual personnel and equipment costs to determine total annual costs.

(4) Compute the total annual costs required to produce the same or similar material on the WPE under consideration in the same manner as described above. If applicable use actual lease costs and include maintenance costs. Include any additional costs that would result from the proposed use of WPE that would not be incurred if electric typewriters were used; e.g., space-alteration costs, carpeting, drapes, etc.

(5) If the total annual cost of using WPE is greater than that of electric typewriters, WPE should not be used.

b. Saving time by using WPE may not result in cost savings. In conducting cost analyses for WPE feasibility studies, agencies should distinguish carefully between (1) actual cost savings and (2) benefits that may

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not result in actual cost savings. Time saved by using WPE will result in cost savings if personnel positions or overtime are reduced, or if the time saved can be used to accomplish other essential work. Only actual cost savings should be used when conducting cost analyses.

6. Determining cost effectiveness of WPE currently in use. Agencies should take the following steps to assess the cost effectiveness of current WPE applications:

a. Eliminate WPE repetitive typing production of correspondence for which form letters or copies could be used.

b. Use the methodology prescribed in subparagraph 5a to compare the cost of WPE with that of electric typewriters.

c. Terminate leases or allow them to expire, whichever is more advantageous to the Government, if leased WPE is not cost-effectively used.

d. Take appropriate remedial action, if owned WPE is not cost-effective, such as:

(1) Consolidate material with a high ratio of repetitive-to-original typing for production by WPE, and use less WPE;

(2) Increase the amount of time the WPE is operated, to reduce production costs to a cost-effective level; and

(3) Reassign the excess WPE to a cost-effective use elsewhere in the agency. If there is a cost-effective use of leased WPE in the agency, terminate the leased equipment and replace it with excess owned equipment. A moratorium on WPE acquisition should be declared until all currently owned equipment is cost-effectively used.

7. Assistance to agencies. Additional guidance may be obtained by contacting the Chief, Automated Information Management Branch, National Archives and Records Service, (202) 376-8838; mailing address: General Services Administration (NROI), Washington, DC 20408.



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